



**TRADING AND PROFIT AND LOSS ACCOUNT**

as on 31st March, 2017

<b>Dr.</b>		<b>Cr.</b>	
<b>Particulars</b>	<b>Amount (Rs.)</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
To Opening Stock	10,000	By Sales	2,28,000
To Purchase	78,000	By Closing Stock	22,000
To Carriage Inward	2,500		
To Wages	11,000		
To Gross Profit c/d (b/f)	1,48,500		
	2,50,000		2,50,000
To Salaries	30,000	By Gross Profit b/d	1,48,500
To Commission	10,000	By Interest	7,000
To Rent and Taxes	2,800	By Commission	8,000
To Repair	5,000		
To Telephone Expenses	1,400		
To Legal Charges	1,500		
To Sundry Expenses	2,500		
To Net Profit (b/f)	1,10,300		
	1,63,500		1,63,500

**Note:** In the book Gross Profit is mentioned as Rs. 1,56,500 which is possible when we take Commission in the Trading A/c, however, Commission is an Indirect Income and should form part of Profit & Loss A/c



**BALANCE SHEET**

as on 31st March, 2017

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Capital	70,000		Machinery		60,000
(+) Net Profit	1,10,300		Investment		90,000
	<u>1,80,300</u>		Debtors		30,000
(-) Drawings	18,000	1,62,300	Cash in Hand		12,000
Creditors		28,000	Closing Stock		22,000
Bills Payable		2,370			
Suspense Account		21,330			
		<u>2,14,000</u>			<u>2,14,000</u>

**Note:**

- Total of debit side of Trial Balance is Rs. 3,64,700 and total of credit side of the Trial Balance is Rs. 3,43,370. The difference on the credit side is Rs. 21,330.
- Difference in credit side of Trial Balance Rs. 21,330 will be treated as Liabilities and posted in Liabilities side of Balance Sheet